BOB F. ANDERSON, PE, INC.

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July 24, 2007

Honorable James H. Welsh, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Unit Well, At an Exceptional Location Upper Hosston Formation, Reservoir B U HOSS RB SUC West Arcadia Field Bienville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of SKLAR EXPLORATION COMPANY, LLC, (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Upper Hosston Formation, Reservoir B, West Arcadia Field, Bienville Parish, Louisiana:

- To permit the applicant to designate and utilize the Sklar Exploration Company, LLC –
 Merritt, ETAL No. 1 Well as the unit well, in exception to the spacing provisions of
 Office of Conservation Order No. 692-A-4, effective May 1, 1981, for the production of
 gas and condensate from the Upper Hosston Formation, Reservoir B, in the unit
 designate U HOSS RB SUC, such unit and well shown on the attached plat and being
 made a part hereof.
- 2. To find that the proposed unit well at the location shown on the attached plat will efficiently and effectively drain the Upper Hosston Formation, Reservoir B, in the unit designated U HOSS RB SUC.
- 3. Except to the contrary herewith, to keep in full force the provisions of the 692-A-4 Series of Office of Conservation and all applicable Statewide Orders to the U HOSS RB SUC.
- 4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The U Hosston Formation, Reservoir C, in the West Arcadia Field, Bienville Parish, Louisiana, was defined in Office of Conservation Order No. 692-A-4, effective May 1, 1981.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

The subject matter of this application does not require a pre-application notice.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this application is being sent. A copy of this letter and the attached plat is being sent to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list and a copy of this letter, plat and list of parties is being sent to the Commissioner of Conservation and Shreveport District Office of Conservation. Upon receipt of the Legal Notice, it will be posted in a prominent place in the area of the Kingston Field, will be published in a newspaper with a circulation in the area of the field and will be sent to all parties to whom this letter is being sent.

Attached is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

B. F. Anderson, PE for

SKLAR EXPLORATION COMPANY, LLC

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation (w/encl.)
Interested Owners, Represented Parties and Interested Parties (w/plat only)

Mr. Ty Adams, Sklar Exploration Company, LLC (w/encl.)

